

ND PUBLIC EMPLOYEES RETIREMENT SYSTEM  
INVESTMENT PERFORMANCE REPORT AS OF FEBRUARY 28, 2003

	February-03				January-03				December-02				September-02				Current	Prior Year	3 Years	5 Years
	Allocation				Allocation				Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Quarter Net ROR	Market Value	Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	6/30/2002 Net	6/30/2002 Net
<b>LARGE CAP DOMESTIC EQUITY</b>																				
<i>Structured Growth</i>																				
AllianceBernstein	20,969,892	2.1%	2.3%	-0.93%	19,044,438	1.9%	2.3%	-2.42%	19,511,985	1.9%	2.3%	3.03%	18,780,830	1.9%	2.3%	-13.56%	-13.91%	-28.98%	-16.11%	N/A
Russell 1000 Growth				-0.46%				-2.43%				7.15%				-15.05%	-11.60%	-26.49%	-16.15%	N/A
<i>Structured Value</i>																				
LSV	43,045,301	4.3%	4.5%	-3.23%	44,358,339	4.4%	4.5%	-2.85%	45,636,683	4.4%	4.5%	6.44%	42,506,859	4.3%	4.5%	-18.29%	-18.24%	2.72%	5.54%	N/A
Russell 1000 Value				-2.67%				-2.42%				9.22%				-18.77%	-15.74%	-8.96%	-4.87%	N/A
<i>Enhanced Russell 1000 Index</i>																				
LA Capital (Wilshire)	42,212,840	4.2%	4.5%	-1.27%	42,594,606	4.2%	4.5%	-2.02%	43,465,003	4.2%	4.5%	6.92%	40,322,633	4.1%	4.5%	-16.27%	-13.40%	-17.00%	N/A	N/A
Russell 1000				-1.55%				-2.42%				8.16%				-16.91%	-13.67%	-17.89%	N/A	N/A
<i>Enhanced S&amp;P 500 Index</i>																				
Northern Trust	40,867,601	4.0%	4.5%	-1.53%	41,345,266	4.1%	4.5%	-2.62%	42,479,676	4.1%	4.5%	8.10%	38,974,110	4.0%	4.5%	-16.71%	-13.66%	-16.98%	N/A	N/A
Strong	41,854,851	4.1%	4.5%	-0.90%	42,116,841	4.1%	4.5%	-2.22%	42,986,661	4.2%	4.5%	10.08%	38,723,285	3.9%	4.5%	-16.75%	-11.19%	-20.23%	N/A	N/A
Westridge	51,317,414	5.1%	4.5%	-1.49%	51,795,202	5.1%	4.5%	-2.62%	52,870,344	5.2%	4.5%	8.52%	48,513,336	4.9%	4.5%	-17.19%	-13.79%	-17.54%	N/A	N/A
Total Enhanced S&P 500 Index	134,039,865	13.3%	13.5%	-1.32%	135,257,308	13.3%	13.5%	-2.50%	138,336,681	13.5%	13.5%	8.87%	126,210,731	12.9%	13.5%	-16.88%	-12.92%	-18.23%	N/A	N/A
S&P 500				-1.50%				-2.62%				8.44%				-17.28%	-13.96%	-17.98%	N/A	N/A
<i>S&amp;P 500 Index</i>																				
State Street	48,767,183	4.8%	5.3%	-1.49%	49,330,973	4.8%	5.3%	-2.62%	50,657,847	4.9%	5.3%	8.45%	43,960,466	4.5%	5.3%	-17.26%	-13.92%	-17.96%	-9.14%	3.67%
S&P 500				-1.50%				-2.62%				8.44%				-17.28%	-13.96%	-17.98%	-9.18%	3.67%
TOTAL LARGE CAP DOMESTIC EQUITY	289,035,080	28.6%	30.0%	-1.61%	290,585,665	28.6%	30.0%	-2.50%	297,608,199	29.0%	30.0%	7.69%	271,781,518	27.7%	30.0%	-16.78%	-14.03%	-17.13%	-9.48%	2.68%
S&P 500				-1.50%				-2.62%				8.44%				-17.28%	-13.96%	-17.98%	-9.18%	3.67%
<b>SMALL CAP DOMESTIC EQUITY</b>																				
<i>Manager-of-Managers</i>																				
SEI	96,264,633	9.5%	8.0%	-2.90%	99,181,605	9.7%	8.0%	-2.62%	101,823,731	9.9%	10.0%	5.19%	70,903,263	7.2%	8.0%	-19.10%	-19.53%	-11.87%	N/A	N/A
Russell 2000 + 200bp				-2.85%				-2.60%				6.66%				-20.90%	-20.17%	-6.68%	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	96,264,633	9.5%	10.0%	-2.90%	99,181,605	9.7%	10.0%	-2.62%	101,823,731	9.9%	10.0%	5.19%	70,903,263	7.2%	8.0%	-19.10%	-19.53%	-11.87%	1.18%	1.95%
Russell 2000				-3.02%				-2.77%				6.16%				-21.40%	-21.32%	-8.59%	1.67%	4.44%
<b>INTERNATIONAL EQUITY</b>																				
<i>Large Cap - Core</i>																				
State Street	17,935,236	1.8%	2.0%	-2.34%	18,379,496	1.8%	2.0%	-4.69%	19,291,897	1.9%	2.0%	4.11%	13,130,499	1.3%	1.6%	-19.99%	-22.47%	-11.74%	-6.76%	-2.26%
MSCI EAFE - 50% Hedged				-2.13%				-4.94%				4.04%				-20.02%	-22.58%	-14.62%	-5.75%	0.27%
<i>Large Cap - Active</i>																				
Capital Guardian	45,920,975	4.5%	5.0%	-2.42%	47,163,056	4.6%	5.0%	-4.68%	49,452,515	4.8%	5.0%	7.35%	34,237,389	3.5%	4.0%	-21.50%	-21.60%	-13.17%	-1.00%	5.76%
Bank of Ireland	9,178,557	0.9%	1.0%	-3.35%	9,523,489	0.9%	1.0%	-5.66%	10,089,180	1.0%	1.0%	7.13%	7,407,705	0.8%	0.8%	-21.60%	-23.42%	N/A	N/A	N/A
Total Large Cap - Active	55,099,531	5.5%	6.0%	-2.57%	56,686,545	5.6%	6.0%	-4.84%	59,541,696	5.8%	6.0%	7.31%	41,645,095	4.2%	4.8%	-21.51%	-21.92%	-12.19%	-0.63%	6.00%
MSCI EAFE - 50% Hedged				-2.13%				-4.94%				4.04%				-20.02%	-22.58%	-14.62%	-5.75%	0.27%
<i>Small Cap - Active</i>																				
Lazard	10,175,725	1.0%	1.0%	-4.06%	10,629,860	1.0%	1.0%	-1.76%	10,812,841	1.1%	1.0%	3.95%	8,303,351	0.8%	0.8%	-17.39%	-19.07%	N/A	N/A	N/A
Wellington	10,485,159	1.0%	1.0%	-0.08%	10,524,299	1.0%	1.0%	-2.58%	10,793,693	1.1%	1.0%	7.10%	7,963,664	0.8%	0.8%	-17.35%	-13.82%	N/A	N/A	N/A
Total Small Cap - Active	20,660,885	2.0%	2.0%	-2.08%	21,154,160	2.1%	2.0%	-2.17%	21,606,534	2.1%	2.0%	5.49%	16,267,015	1.7%	1.6%	-17.37%	-16.49%	N/A	N/A	N/A
SSB BROAD MARKET INDEX < \$2BN				-0.20%				-1.50%				1.85%				-15.30%	-15.20%	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	93,695,652	9.3%	10.0%	-2.42%	96,220,200	9.5%	10.0%	-4.24%	100,440,127	9.8%	10.0%	6.24%	71,042,608	7.2%	8.0%	-20.31%	-20.89%	-10.49%	-2.94%	2.40%
MSCI EAFE - 50% Hedged				-2.13%				-4.94%				4.04%				-20.02%	-22.58%	-14.62%	-5.75%	0.27%
<b>EMERGING MARKETS EQUITY</b>																				
Capital Guardian	47,281,358	4.7%	5.0%	-1.69%	48,093,260	4.7%	5.0%	-2.21%	49,179,776	4.8%	5.0%	11.72%	44,022,601	4.5%	5.0%	-16.68%	-10.51%	-5.69%	-5.69%	-6.04%
MSCI Emerging Markets Free				-2.70%				-0.44%				10.04%				-16.30%	-10.78%	1.30%	-6.34%	-8.42%
<b>DOMESTIC FIXED INCOME</b>																				
<i>Core Bond</i>																				
Western Asset	40,271,676	4.0%	3.6%	1.80%	39,199,208	3.9%	3.6%	1.01%	38,769,713	3.8%	3.7%	2.49%	50,157,445	5.1%	4.3%	3.66%	9.24%	8.87%	8.93%	8.26%
Lehman Aggregate				1.38%				0.09%				1.57%				4.58%	7.78%	8.62%	8.10%	7.57%
<i>Active Duration</i>																				
WestAM (Criterion)	39,599,391	3.9%	4.3%	1.27%	38,761,008	3.8%	4.3%	0.31%	38,667,068	3.8%	4.4%	2.69%	49,437,568	5.0%	4.3%	2.57%	7.01%	6.00%	7.60%	7.09%
Lehman Aggregate				1.38%				0.09%				1.57%				4.58%	7.78%	8.62%	8.10%	7.57%

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	Allocation				Allocation				Allocation				Allocation				Fiscal YTD	FY02	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Quarter Net ROR	Market Value	Actual	Policy	Quarter Net ROR	Net ROR	Net ROR	6/30/2002 Net	6/30/2002 Net
<b>Index</b>																				
Bank of ND	46,546,136	4.6%	4.6%	1.77%	46,518,207	4.6%	4.5%	0.05%	46,201,693	4.5%	4.5%	1.40%	59,641,291	6.1%	5.5%	5.96%	9.39%	9.56%	8.03%	7.55%
Bank of ND Match Loan CD Program	14,275,635	1.4%	1.4%	0.44%	14,780,455	1.5%	1.5%	0.48%	14,962,312	1.5%	1.5%	1.43%	14,932,255	1.5%	1.5%	1.44%	3.85%	5.79%	5.86%	5.90%
<b>Total Index</b>	<b>60,821,771</b>	<b>6.0%</b>	<b>6.0%</b>	<b>1.40%</b>	<b>61,298,661</b>	<b>6.0%</b>	<b>6.0%</b>	<b>0.17%</b>	<b>61,164,004</b>	<b>6.0%</b>	<b>6.0%</b>	<b>1.38%</b>	<b>74,573,546</b>	<b>7.6%</b>	<b>7.0%</b>	<b>4.78%</b>	<b>7.90%</b>	<b>9.68%</b>	<b>7.81%</b>	<b>7.47%</b>
Lehman Gov/Credit				1.78%				0.00%				1.73%				5.70%	9.44%	8.24%	7.85%	7.47%
<b>Convertibles</b>																				
<b>TCW</b>	<b>37,697,090</b>	<b>3.7%</b>	<b>3.6%</b>	<b>-1.68%</b>	<b>39,685,053</b>	<b>3.9%</b>	<b>3.6%</b>	<b>1.41%</b>	<b>39,126,538</b>	<b>3.8%</b>	<b>3.7%</b>	<b>8.32%</b>	<b>44,401,459</b>	<b>4.5%</b>	<b>4.3%</b>	<b>-9.90%</b>	<b>-2.68%</b>	<b>-21.20%</b>	<b>-2.06%</b>	<b>N/A</b>
First Boston Convertible Index				0.17%				2.58%				9.83%				-8.56%	3.19%	-12.44%	0.11%	N/A
<b>BBB Average Quality</b>																				
<b>Strong</b>	<b>40,796,174</b>	<b>4.0%</b>	<b>3.6%</b>	<b>2.49%</b>	<b>39,549,702</b>	<b>3.9%</b>	<b>3.6%</b>	<b>0.31%</b>	<b>39,395,747</b>	<b>3.8%</b>	<b>3.7%</b>	<b>4.11%</b>	<b>48,988,744</b>	<b>5.0%</b>	<b>4.3%</b>	<b>0.39%</b>	<b>7.45%</b>	<b>3.16%</b>	<b>6.83%</b>	<b>N/A</b>
Lehman BBB				2.28%				0.54%				4.59%				2.70%	10.46%	5.85%	4.75%	N/A
<b>Timberland</b>																				
<b>Evergreen (Wachovia)</b>	<b>37,360,558</b>	<b>3.7%</b>	<b>3.7%</b>	<b>-0.07%</b>	<b>37,054,020</b>	<b>3.6%</b>	<b>3.6%</b>	<b>6.38%</b>	<b>34,814,039</b>	<b>3.4%</b>	<b>3.4%</b>	<b>3.15%</b>	<b>35,606,528</b>	<b>3.6%</b>	<b>3.6%</b>	<b>-0.22%</b>	<b>9.40%</b>	<b>N/A</b>	<b>N/A</b>	<b>N/A</b>
																		N/A	N/A	N/A
<b>TOTAL DOMESTIC FIXED INCOME</b>	<b>256,546,660</b>	<b>25.4%</b>	<b>24.0%</b>	<b>0.92%</b>	<b>255,547,653</b>	<b>25.1%</b>	<b>24.0%</b>	<b>1.38%</b>	<b>251,937,110</b>	<b>24.6%</b>	<b>24.0%</b>	<b>3.36%</b>	<b>303,165,290</b>	<b>30.9%</b>	<b>28.0%</b>	<b>0.71%</b>	<b>6.51%</b>	<b>2.56%</b>	<b>6.70%</b>	<b>6.56%</b>
Lehman Aggregate				1.38%				0.09%				1.57%				4.58%	7.78%	8.62%	8.10%	7.57%
<b>HIGH YIELD BONDS</b>																				
<b>Western Asset</b>	<b>54,164,219</b>	<b>5.4%</b>	<b>5.0%</b>	<b>1.31%</b>	<b>59,490,630</b>	<b>5.8%</b>	<b>5.0%</b>	<b>2.11%</b>	<b>58,259,945</b>	<b>5.7%</b>	<b>5.0%</b>	<b>7.64%</b>	<b>54,125,166</b>	<b>5.5%</b>	<b>5.0%</b>	<b>-3.24%</b>	<b>7.74%</b>	<b>-6.08%</b>	<b>-3.89%</b>	<b>4.16%</b>
Lehman High Yield Bond Index				1.23%				3.33%				6.74%				-2.93%	8.38%	-3.60%	-2.31%	0.68%
<b>INTERNATIONAL FIXED INCOME</b>																				
<b>International Core</b>																				
<b>UBS Global (Brinson)</b>	<b>58,314,698</b>	<b>5.8%</b>	<b>5.0%</b>	<b>1.70%</b>	<b>57,899,596</b>	<b>5.7%</b>	<b>5.0%</b>	<b>1.89%</b>	<b>56,806,368</b>	<b>5.5%</b>	<b>5.0%</b>	<b>6.06%</b>	<b>58,509,848</b>	<b>6.0%</b>	<b>5.0%</b>	<b>2.39%</b>	<b>12.53%</b>	<b>16.83%</b>	<b>2.39%</b>	<b>2.43%</b>
Salomon Brothers Non-US Gov't Bond Index				1.31%				1.87%				6.06%				2.84%	12.57%	15.72%	3.14%	3.03%
<b>REAL ESTATE</b>																				
JMB	36,417			-33.01%	54,363			-12.84%	62,368			-1.27%	1,034,424			1.94%	-41.24%	0.92%	1.25%	7.60%
INVESCO	26,503,754			0.03%	26,494,686			0.15%	26,455,209			-0.41%	26,898,258			3.78%	3.54%	2.61%	7.70%	N/A
J.P. Morgan	29,795,950			0.39%	29,681,178			0.06%	29,486,181			1.90%	28,936,241			1.64%	4.04%	4.10%	9.60%	11.72%
<b>TOTAL REAL ESTATE</b>	<b>56,336,121</b>	<b>5.6%</b>	<b>5.0%</b>	<b>0.18%</b>	<b>56,230,226</b>	<b>5.5%</b>	<b>5.0%</b>	<b>0.10%</b>	<b>56,003,758</b>	<b>5.5%</b>	<b>5.0%</b>	<b>0.65%</b>	<b>56,868,923</b>	<b>5.8%</b>	<b>5.0%</b>	<b>2.78%</b>	<b>3.73%</b>	<b>3.35%</b>	<b>8.64%</b>	<b>9.66%</b>
NCREIF TOTAL INDEX				0.55%				0.55%				1.67%				1.79%	4.63%	6.79%	9.41%	11.96%
<b>ALTERNATIVE INVESTMENTS</b>																				
Brinson IVCF II	267,880			0.00%	268,900			0.00%	270,022			-3.71%	280,402			-5.91%	-9.40%	-28.90%	3.96%	21.27%
Coral Partners II	296,639			0.00%	286,723			0.00%	275,339			-5.57%	288,961			-19.48%	-23.96%	-53.48%	-30.67%	-16.01%
Coral Partners V	10,710,113			0.00%	10,707,718			0.00%	10,644,361			-7.89%	10,516,776			-17.47%	-23.98%	-46.32%	-3.46%	N/A
Coral Partners V - Supplemental	656,291			0.00%	656,144			0.00%	657,976			-11.88%	734,421			-14.17%	-24.37%	N/A	N/A	N/A
Coral Partners VI	685,087			0.00%	684,934			0.00%	772,916			-21.31%	608,359			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	1,944,288			0.00%	1,943,853			0.00%	1,943,320			-7.89%	2,147,412			-3.97%	-11.55%	-15.23%	8.66%	N/A
Brinson 1999 Partnership Fund	2,467,518			0.00%	2,466,966			0.00%	2,466,288			-6.50%	2,426,646			-4.67%	-10.86%	-21.70%	-0.85%	N/A
Brinson 2000 Partnership Fund	3,584,166			0.00%	3,583,365			0.00%	3,582,381			-1.66%	3,174,793			-6.93%	-8.48%	-14.95%	N/A	N/A
Brinson 2001 Partnership Fund	1,012,869			0.00%	1,012,642			0.00%	1,012,364			-1.33%	1,018,176			-1.08%	-2.40%	-6.22%	N/A	N/A
Brinson 2002 Partnership Fund	679,215			0.00%	679,063			0.00%	678,877			-2.74%	686,547			0.15%	-2.59%	N/A	N/A	N/A
Total Brinson Partnership Funds	9,688,056			0.00%	9,685,889			0.00%	9,683,229			1.14%	9,453,575			-4.85%	-3.77%	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	1,192,380			0.00%	1,224,325			0.00%	1,223,989			-2.36%	1,140,547			12.07%	9.43%	-7.68%	-3.51%	N/A
Brinson 2000 Non-US Partnership Fund	1,035,414			0.00%	1,035,183			0.00%	1,034,898			-0.81%	907,252			7.00%	6.13%	-6.51%	N/A	N/A
Brinson 2001 Non-US Partnership Fund	596,843			0.00%	446,530			0.00%	446,407			-1.54%	445,970			-1.47%	-2.99%	-4.85%	N/A	N/A
Brinson 2002 Non-US Partnership Fund	920,989			0.00%	920,783			0.00%	920,530			-0.33%	348,399			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	3,745,626			0.00%	3,626,821			0.00%	3,625,825			-1.48%	2,842,168			6.90%	5.32%	N/A	N/A	N/A
Brinson BVCF IV	6,826,110			0.00%	6,824,579			0.00%	6,355,815			-9.29%	6,891,660			-2.76%	-11.79%	-29.16%	-17.06%	N/A
Matlin Patterson Global Opportunities	11,051,265			0.00%	10,517,474			0.00%	10,514,586			0.00%	9,125,381			N/A	N/A	N/A	N/A	N/A
InvestAmerica	873,363			0.00%	873,168			0.00%	872,928			3.02%	912,538			31.25%	35.21%	N/A	N/A	N/A
Hearthstone	4,707,697			0.00%	4,706,673			0.00%	4,173,907			3.48%	4,756,522			11.34%	15.21%	4.99%	N/A	N/A
<b>TOTAL ALTERNATIVE INVESTMENTS</b>	<b>49,508,127</b>	<b>4.9%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>48,839,023</b>	<b>4.8%</b>	<b>5.0%</b>	<b>0.00%</b>	<b>47,846,904</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-3.11%</b>	<b>46,410,761</b>	<b>4.7%</b>	<b>5.0%</b>	<b>-7.13%</b>	<b>-10.02%</b>	<b>-29.02%</b>	<b>-0.51%</b>	<b>7.25%</b>
Post Venture Capital Index				-2.21%				0.62%				15.43%				-22.64%	-12.14%	-44.30%	-26.03%	-6.83%
<b>CASH EQUIVALENTS</b>																				
<b>Northern Trust STIF/STEP</b>	<b>8,699,428</b>	<b>0.9%</b>	<b>1.0%</b>	<b>0.05%</b>	<b>5,247,602</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.25%</b>	<b>6,255,542</b>	<b>0.6%</b>	<b>1.0%</b>	<b>0.42%</b>	<b>5,115,135</b>	<b>0.5%</b>	<b>1.0%</b>	<b>0.68%</b>	<b>1.42%</b>	<b>2.29%</b>	<b>4.72%</b>	<b>5.01%</b>
90 Day T-Bill				0.09%				0.10%				0.43%				0.45%	1.07%	2.63%	4.67%	4.84%
<b>TOTAL FUND</b>	<b>1,009,845,976</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-0.64%</b>	<b>1,017,335,461</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-0.94%</b>	<b>1,026,161,460</b>	<b>100.00%</b>	<b>100.00%</b>	<b>4.92%</b>	<b>981,945,114</b>	<b>100.00%</b>	<b>100.00%</b>	<b>-8.86%</b>	<b>-5.87%</b>	<b>-6.83%</b>	<b>-0.72%</b>	<b>4.67%</b>
POLICY TARGET BENCHMARK				-0.72%				-1.24%				5.66%				-9.41%	-6.15%	-5.63%	-1.32%	4.65%

NOTE: Monthly returns and market values are preliminary and subject to change.